

**INDEPENDENT CONTRACTOR - POSSIBLE BENEFITS AVAILABLE**

The Principal will select several key objectives from the award set found in the forms section and for example:

- a) no serious harm is caused to the worker or other workers by the worker
- b) no damage to plant or machinery or vehicles by the worker
- c) no customer complaints caused by the work or behaviour of the worker
- d) no drugs found or drug issues suspected of the worker during the quarter or agreed period
- e) no late attendances, no unauthorised holidays, no illegible reports or time sheets by the worker,

The award will be \$2-6 \_\_\_\_\_ per line from a) to e) per week for a period of 84 days or 12 weeks where the worker is on more than 25 hours per week.

The award will be \$1-3 \_\_\_\_\_ per line from a) to e) per week for a period of 84 days or 12 weeks where the worker is less than 25 hours per week.

The award can be in the range of \$10 per line item for a) to e) per week where the contract is on daily offer.

The whole amount of the award (5 lines) will be lost for a failure of one item. The loss to be deducted will be 6 weeks for the first event per year and then 12 weeks for the second or further event per year.

There will be two people appointed to complete the monthly review and their decision will be final. The contractor may object to the decision in writing.

**Principal may offer contractor special benefits to create goodwill.**

1. Petrol allowances on an irregular basis \_\_\_\_\_
2. Use of company vehicle for company work only \_\_\_\_\_
3. Use of company vehicle for agreed private running stated \_\_\_\_\_
4. Xmas hamper or Xmas Bonus of approx value \_\_\_\_\_
5. Food voucher on irregular basis of approx value \_\_\_\_\_
6. Access to company tools for agreed use stated \_\_\_\_\_
7. Mobile phone use or voucher to approx value quarterly \_\_\_\_\_
8. Magazine or periodical annual subscription stated \_\_\_\_\_
9. Help with GST return 1-4 \_\_\_\_\_ hour per month \_\_\_\_\_
10. Free company park allocated on quarterly basis \_\_\_\_\_

Summit Manager Name \_\_\_\_\_

Telephone/Email \_\_\_\_\_

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1 Tim 3.16 KJV And without controversy great is the mystery of godliness: God was manifest in the flesh, justified in the Spirit, seen of angels, preached unto the Gentiles, believed on in the world, received up into glory.

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## News, Views, Solutions from Summit Systems January 2020

**MANAGERS SOMETIMES MANAGE & COACHES OFTEN CONFUSE**

Most NZ managers are not real Managers they are Bureaucrats, Autocrats, Dictators and Abdicators. Quite a few of them are Missionaries and are keen to introduce their own philosophies to the pilgrims along the way. The escape artists who continually avoid making decisions are known as Abdicators.

It is very unusual to find the true Charismatic leader and the Dynamic is equally hard to find. Only a small number can be called Consultative or Democratic. For the academic leader we will introduce the more well known styles to discuss today.

Democratic Leadership – commonly effective  
 Autocratic Leadership - rarely effective  
 Persuasive Leadership – often effective  
 Laissez-Faire Leadership – sometimes effective  
 Strategic Leadership - commonly effective  
 Inspirational Leadership – often effective  
 Transformational Leadership – sometimes effective  
 Transactional Leadership - sometimes effective  
 Coach style Leadership – commonly effective  
 Bureaucratic Leadership – seldom effective

The average or typical NZ manager is unlikely to fit into one of the above categories. S/he will have developed the enterprise with help from wife or partner and then taken on a casual or two and have grown from the business incubator stage. Sometimes with lots of luck and sometimes with very hard work. Occasionally with help from professional people and the lucky Lawyer with the associated Accountant.

The interesting thing is that 90% of business coaches would not be able to explain more than two or three different styles and would not be able to tell you what their personal style is. They happen to think that business coaching is all about helping the client manager make good decisions. It is next to nothing about strategic direction and analytical skills to work through the stages of company growth. They nearly always think that marketing is selling and cannot distinguish the differences. They think that finance is accounting. They usually believe that running a company is working in it instead of on it.

The best thing that the typical NZ Manager can do is to find out which companies succeed and how they succeed. Check out their professional support people. Learn how they make decisions and incentivise their staff. Then learn how to lead their own people into fields of enterprise / endeavour and ultimately into realms of success.

2.

## **HOW TO INTRODUCE PERFORMANCE MANAGEMENT TO YOUR SITE**

### **Step one**

Consult with your workers and see if some or all of them would be willing to have performance management to improve business efficiency for your site.

### **Step two**

Make sure that your workers understand that there will be incentives and that the components of the bonus system can be improved or changed from time to time.

### **Step three**

Try to find out about a local example that you can associate with or copy. Ask them for information about what they did to improve things.

### **Step four**

Appoint two managers or leaders to administer the scheme and do not have just one person as one person will get a hard time from all and sundry.

### **Step five**

Find out where your main problems are and then focus on them and do not chase rainbows or dark clouds. Define the best approach for fixing a bonus amount. It may need to be graduated and it may need to be bundled and it may need to endure for more than one period of time. You will need to be careful to find out whether staff wish to be in a group or by individual for the bonus.

### **Step six**

Identify and select the main things. Most sites will automatically list zero accidents as the number one target. A strong follower will be zero damage to plant, vehicles and equipment. At most sites in the North Island zero drugs would be an essential target. Another item could be zero customer complaints. Finally there is often zero admin problems such as late attendances or illegible timesheets and poor paperwork.

### **Step seven**

Then we need to work out how much the bonus will be and how long the cycle. Most sites prefer to have a 90 day cycle. The bonus can be cents in the dollar or a day rate. It is normally loaded to focus on the degree of problem or potential or perceived problem. For example, 20 cents per day for 90 days for no accidents; 10 cents per day for 90 days for zero damage; 10 cents per day for no customer complaints received; 15 cents per day for zero drugs; 10 cents per day for no lateness and no horrible paperwork.



3.

## **ALTERNATIVE TO BONUS SYSTEM - ANNUAL HAMPER**

This method is more well known for NZ conditions but it is much less focused.

The staff and management will agree on a number of targets and how the awards will apply.

Typically, there will be groups established with clear targets. There will be agreed periods of time such as 6 months ending 30 June and Xmas time.

The awards will be the same or different. For example a food voucher of \$50 for mid year and both a turkey and ham for Xmas. Other sites will also issue fuel vouchers. These are a very good idea and avoid or escape the IRD attention.

You should note that it is better to give fuel cards than allowances of pay or cash as the fuel cards cannot be detected so easily by IRD.

To avoid irritating the Accountant you may need to have a reason for the issue of the items and avoid having them to an exact cycle.

You can also get Fly-by gift cards at New World and these are good but now have limited duration whereas formerly they lasted for two years.

It is common for many sites to have a Christmas function where the meals and drinks are on the company.

A word of warning is that if you allocate very attractive conditions or benefits for Independent Contractors then quite a few of the ordinary workers will want the same.

Remember that if you provide an airways voucher it will create a precedent.

